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Mark David Goss
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John W. Clay
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Caroline Pitt Clark
Commissioner

February 13, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00023
Judy Water Association, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on February 13, 2008.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
OF JUDY WATER ASSOCIATION) 2008-00023

O R D E R

On January 14, 2008, Judy Water Association ("Judy Water") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Judy Water purchases water from Mt. Sterling Water and the city of North Middletown ("North Middletown").
2. Mt. Sterling Water notified Judy Water that, effective February 1, 2008, its wholesale rate would increase from \$1.88 per 1,000 gallons to \$2.07 per 1,000 gallons.
3. North Middletown notified Judy Water that its wholesale rate would increase from \$2.33 per 1,000 gallons to \$2.78381 per 1,000 gallons for the first 70,000 gallons per day and from \$2.43 per 1,000 gallons to \$3.08381 per 1,000 gallons for all over 70,000 gallons per day.
4. Judy Water proposed a purchased water adjustment factor of \$0.31 per 1,000 gallons.
5. Finding that North Middletown incorrectly calculated the adjustment factor associated with its increased purchased water costs due to an increase in its water supplier's wholesale rate, the Commission has ordered North Middletown to adjust its

wholesale rates to the following levels: \$2.94 per 1,000 for the first 70,000 gallons per day and \$3.07 per 1,000 for all usage over 70,000 gallons per day.¹

6. During the 12 months ended December 31, 2007, Judy Water purchased 108,565,300 gallons from Mt. Sterling Water and 45,735,000 gallons from North Middletown and sold 144,668,270 gallons. The increase in the cost of purchased water is \$49,131.30, resulting in a purchased water adjustment factor of \$0.34 per 1,000 gallons.

7. The purchased water adjustment factor of \$0.34 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed Judy Water are denied.
2. The purchased water adjustment factor of \$0.34 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after February 20, 2008.
4. Within 20 days of the date of this Order, Judy Water shall file with the Commission revised tariff sheets showing the rates approved herein.

¹ Case No. 2008-00051, Adjustment of the Wholesale Water Service Rates of the City of North Middletown to Judy Water Association to Reflect Revisions in the Cost of Purchased Water.

Done at Frankfort, Kentucky, this 13th day of February, 2008.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00023 DATED FEBRUARY 13, 2008

	New Rate	Base Rate
Mt. Sterling Water		
Purchases in gallons	108,565,300	108,565,300
Volumetric rate	<u>\$ 2.07/1,000</u>	<u>\$ 1.88/1,000</u>
	\$224,730.17	\$204,102.76
 North Middletown		
Purchases in gallons	25,550,000	25,550,000
Volumetric rate	<u>\$ 2.94/1,000</u>	<u>\$ 2.33/1,000</u>
	\$75,117.00	\$59,531.50
 Purchases in gallons	20,185,000	20,185,000
Volumetric rate	<u>\$ 3.07/1,000</u>	<u>\$ 2.43/1,000</u>
	\$61,967.95	\$49,049.55

Increased water cost \$ 49,131.30

Increased water cost	\$49,131.30
Divided by gallons sold	<u>144,668,270</u>
Purchased water adjustment factor	\$0.34 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00023 DATED FEBRUARY 13, 2008

The following rates and charges are prescribed for the customers in the area served by Judy Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" x 3/4" Meter

First	1,000 gallons	\$11.69	Minimum Bill
Next	4,000 gallons	7.32	per 1,000 gallons
Next	5,000 gallons	6.42	per 1,000 gallons
Over	10,000 gallons	5.52	per 1,000 gallons